

Marketing in Romanian Sports Upgrade Sports' Marketing Policies

by

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Abstract. The elements of sports marketing mix are the traditional marketing ones involving a sports product price and placement strategies as well as their association with promotion activities regarding advertising, endorsement, PR, personal sales and so on. Of the base activities of sports marketing is developing product and service strategies. When thinking up a product strategy, one must consider all decisions regarding licensing, merchandising, labeling and packaging. One of the most important and sensitive problem today's marketing managers must attend to is setting sports products and services prices. Price strategies include setting price objectives, price setting technique selection and price evolution over time. Services characteristics, as well as those of endorsements deeply influence a company marketing policy. Not all marketing mix variables can be adjusted on short term. On short term, a company can adjust prices, sales force size and advertising spending, while on long term, objectives are closely tied to modifying distribution channels and creating new products.

Key words: distribution, marketing mix, placement, strategic planning

JEL classification: M 30, M 31, M 39.

1 Conceiving the marketing mix

The traditional marketing mix consists of the 4P's - product, price, placement and promotion (figure 1).

The "mix" notion requires an intertwined relationship between these variables. However, all the above elements' strategies need modifications due to all specific sport service's needs. For example, when promoting material goods, managers insist on sales promotions,

advertising and brand use. In sports, these factors are also important, but due to a singularity of production and consumption in sport services; personnel also plays an important role. Price is also, a complex concept because it is difficult to know its level let alone conceiving a price strategy. It is clear that price, is influenced by demand - comparison analysis (football - handball, football - athletics) but also history show prices have been influenced by a sport's attractiveness.

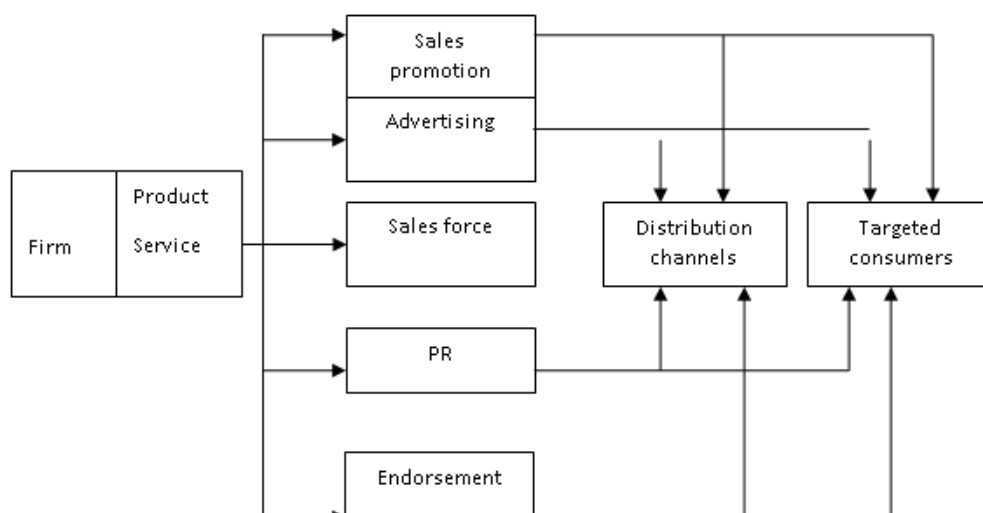


Fig.1. Marketing mix strategy

Source: Ph.Kotler, Marketing management, Teora, page 145

1.1. Basic marketing principles applied to sports

The elements of sports marketing mix are the traditional marketing ones involving a sports product price and placement strategies as well as their association with promotion activities regarding advertising, endorsement, PR, personal sales and so on.

Coordinating and integrating this basic combination of mix elements is also known as “a sports marketing program”.

The elements of a sports marketing mix

- **Product strategies.** Of the base activities of sports marketing is developing product and service strategies. When thinking up a product strategy, one must consider all decisions regarding licensing, merchandising, labeling and packaging. Additionally, sports managers are responsible for launching the new product, keeping current products alive and eliminating any old or redundant product. Service planning needs setting a price level, managing service demand and service quality evaluation and control. For example, sports marketing managers must be aware of the fans perception over ticket sellers, parking spot reservation and stadium (or hall) comfort. These service- related issues are important in today’s sport marketing environment, because fans desire a high level of sport service quality.
- **Placement strategies.** Traditionally, the purpose of placement is to effectively find a way of placing a product in consumers’ hands. Problems involving inventory management, storage and retail selling are all under a distribution manager’s control - sports goods and memorabilia superstores together with online sports marketing are examples of how distribution (placement) traditionally works. Also, sports marketers are concerned about how sports are delivered to spectators in an efficient manner. Questions like “where should we

build our stadium?” or “how should we place a recreational parlor” are potential placement issues marketers have to resolve.

- **Price strategies.** One of the most important and sensitive problem today’s marketing managers must attend to is setting sports products and services prices. Price strategies include setting price objectives, price setting technique selection and price evolution over time. Ticket prices for sports events, personal seat taxation, cable TV sport channel taxes , determining costs of participating in recreational sports like golfing are all examples of how crucial price is for sports marketing.
- **Promotional strategies.** Advertising is of one of the most famous and effective elements of the promotional mix. Although advertising is included in promotion, it is not the only component. Besides advertising, the promotional mix also includes: endorsements, PR, personal sales or sales promotion. Together, all these elements make up the promotional mix. When building a promotional strategy, sports marketers must integrate promotion and utilize all promotional mix elements.

Creating the marketing mix

A market is selected after studying the external environment (population segments that have the same lifestyle and a certain composition - the geo- demographic environment).

A target market means a market segment which will allow a sports organization achieve its marketing objectives in the most effective and efficient way.

In order to make a decision involving touching a potential market, each market segment will be evaluated by using the following criterion: size, accessibility and measurability.

Market size - with size growth potential being also evaluated. This growth is partially forecasted by environment analysis. When a target segment is chosen, social layers, lifestyle and consumption behavior must be taken in account.

A sports organization target must not necessarily include the largest group of consumers. The company can choose a smaller and different array of costumers on which it can focus - a niche. This is a relatively narrow market segment which boasts special needs

<i>Market segment</i>	<i>Niche</i>
<i>Lower density market</i>	<i>Very small market area</i>
<i>Less specialized area</i>	<i>Extremely specific needs</i>
<i>Obtained through larger market dissection</i>	<i>Low market parts special care</i>

In sports, one can utilize niches by opening specialized stores (ski, hockey, football, etc.) and for TV covering of the niches by using niche cable TV - an extreme sports channel, for example.

A particular example of a niche is individuals making financial investments over multiple seasons in a sports club. Added to that, in exchange for their investments, these fans get a high emotional investment from the team. In order to keep these valuable consumers, organizations must develop a specialized marketing mix in order to repay loyalty shown.

Accessibility - refers to the possibility of a clear description applied to a market.

Are there any communication means with the intended market? Are there any distribution channels which can drive consumers within the selected market? Can fans move to the stadium/arena?

In market communication we have the traditional ways of attracting fans: mass-media (magazines, newspapers, TV). Nowadays, however, you can still use relational technology like satellites - direct TV - this allows fans to access new geographical segments of the market of which any sports marketer should take note.

Measurability - represents the possibility of determining size, accessibility and buying capacity of the selected market. One of the reasons behind demographical segmentation is the swiftness with which characteristics like age, sex, income level and occupation can be determined. Psycho-graphic segmentation is, nonetheless, way more difficult because of the complex nature of consumer personality and lifestyle.

which cannot be taken in consideration, at the moment, by any larger company.

By definition, a niche is a very small market segment which consists of homogenous consumer group. The main differences between a market segment and a niche are:

Behavioral variation - after the selected market has been segmented, described and measured, a company must evaluate behavioral shifts. It is desirable consumers have the same behavior patterns, attitudes, lifestyles - moreover, a unique characteristic throughout the whole market is ideal.

Unfortunately, reality poses a large behavior inconsistency. An example can be considered the different approach way of fans that make up for the solid core of a club's support by comparison to those who only occasionally attend games. First category buys products and tickets on a membership base while the second category buys regular tickets.

How many target markets?

According to marketing objectives and sport organization resources, one will have to choose from multiple or just one market to enter. The distinct market and also the most important for success in achieving goals is automatically assigned as the primary target, while others become secondary, third, etc. destinations. Once again, a market needs a unique mix which must be layered out, because costs associated with choosing a market are sometimes prohibitive.

Positioning - defined as placing a sports entity in target market consumers' minds.

Positioning is dependent of the previously identified market. Consequently, same sport can be positioned differently on different markets.

Positioning is based on consumers' perceptions, way of thinking and way of feeling about the sports entity. Positioning is made up of all elements regarding consumer perception about the sports product and offer.

The definition of position reflects its importance for all sport products (leagues, teams, sports - everything must be positioned by using marketing.

Marketing places a sports company in consumer minds in the following ways:

- Physical equipment, staff clothing - these are tangible parts of sports;
- Understanding market perceptions over relevant attributes, characteristics and activities of the sports entity. These can be intangible like the electric atmosphere within a stadium or tangible like sports products.

Positioning map - represents an advanced technique in marketing research regarding positioning. It provides marketers with three kinds of information:

A) It indicates sizes or attributes which consumers utilize when thinking about sport products or services;

B) Sports marketers indicate consumers where different products or services are located according to given coordinates;

C) How a sports product or service is perceived by comparison with competitors. A positioning map can be built by using product attributes (Figure 2)

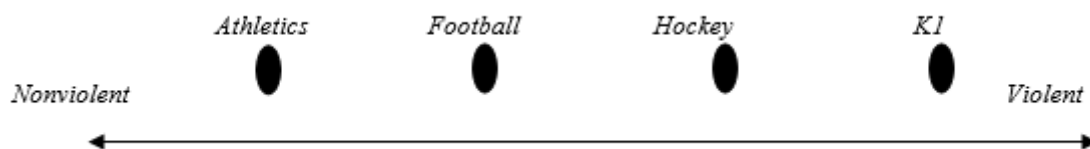


Figure 2. Positioning map

This positioning map relies on associating violence with sport. Results can differ according to the participants, how violence is defined by the researcher and what kind of competition exists (professional, amateur, etc.).

1.2 Product policy

Services characteristics, as well as those of endorsements deeply influence a company marketing policy. More than any other area, mix components have distinct traits which can be determined by all special relations between sport services and demand. This relation is so strong that, in most case, a product can be designed by simply bringing to light a famous sportsman. In this context, setting aside the central element of the sport (the team or player) a very important role in issuing a product policy is ambiance (created by equipment, decorations and themed objects, etc.). This ambiance must meet criterion involving hygiene, security, functionality, inner esthetics, quality, etc.

During the sports event, a spectator's participation is greater than that of a different service. An audience educational process is required in order to increase performance value

due to the fact that spectators go to stadium to enjoy the show and the ambiance created. (V.Olteanu, Marketingul serviciilor, Ecomar, Buchares, 2003)

New sport products

"New" is a relative term. Does this mean buying tickets to a game for the first time? Or means buying a multiannual membership? Or maybe it means a new sport for consumers?

Defining a new product is crucial for all sports organizations. This is due several reasons:

- It is necessary the new product meets with consumer tendencies, lifestyles and tastes;
- A sport product failure makes a manager remove it from the product mix. New products must be continuously introduced in order to maintain the business and to achieve long-term growth.

All sports companies must ensure: a constant upgrade of products, new products must satisfy market demands, extending the product mix for local costumers.

The new product can be a simpler alternative of the already existing product or of a never commercialized product.

By looking at this situation from the consumer point of view, the new product helps and organization find the most effective way of selling the product.

Likewise, a company relies on consumer opinion if a product is innovative.

Corporate speaking, new means:

All strategies based on the product’s life cycle which tries to account for the actual stage in which a product can be currently found - this allows taking adequate strategies, particular to every single stage.

		Sustained	Promotion	Low
P R I C E	Big	Rapid fructification of market advantage	Slow fructification of market advantage	
	Small	Quick market penetration	Slow market penetration	

Figure 3. Strategic options for the „Launch” faze of a product
Source: Ph.Kotler – page 454

- Rapid market advantage fructification means setting a high price and conducting an intense promoting effort. This way, an organization gambles on consumers who will learn about the product and then buy it, being willing, of course, to pay a high fee;
- Slow market advantage fructification means setting a high price, this time combined with a lower promotional effort, in order to cut marketing expenditure. If potential consumers already know about the product, then this strategy suits well;
- Rapid market penetration means setting a low price and a high promotional expenditure all for the sole purpose of rapid acceptance of the product, consumers being unaware of the product. This way the launch faze can be characterized by having low sales figures, profits are small or negative, big placement and promotional expenditure numbers.
- The slow market penetration means the promotional effort and prices are low thus maintaining marketing expenditure at a bare minimum level.

The “Growth” faze can be characterized by a rapid sales climb, most consumers being interested in buying the product. Price can be diminished or kept unchanged; profits rise due

to a unitary cost reduction - this also brings new competitors on the market.

As for strategy goes, this faze can be tackled by using the following options:

- Enhancing product quality;
- Entering new market segments;
- Price reduction;
- Using new distribution channels;
- -Using conditioning advertising.

“Maturity” consists of lower sales increases, consumers going for competitors’ products.

All strategic options in this stage must take in consideration:

- market fluctuations , in this case, a company can go for : drawing in non-consumers, attracting competitor consumers, entering new market segments (mostly for increasing the number of users), frequent use of the product encouragement, larger product quantity encouragement, finding new uses for products which have the purpose of increasing the product average use rate;
- product modification, in this case, a company can go for: increasing product quality, enhancing functional performance, upgrading product characteristics, improving style in order to increase attraction;

- Marketing mix modification, in this case a company can try to modify one or more of the mix elements - this boasts a particular risk of competitor imitations.

“Decline” is the stage in which a product records massive loss in sales, the particular product being now obsolete and ignored by consumers who turn to other newer products. In relation to area of activity, an organization can take the following actions:

- Maintaining products but with different design or concept;
- Identifying new external markets;
- Withdrawing products from the market.

Choosing strategies according to product life-cycle represents a useful approach but which needs a fair evaluation of every stage in the cycle of the product or company. It becomes obvious that a company that has a wide array of products or services has to treat this matter with extreme caution and accuracy. Basically, competitors will be the ones who will influence in which stage a product is, especially if they offer significant advantages to consumers, like:

- Worldly new products (the first surfing, installing Internet access for all spectators within the stadium - these can order food and tickets for future games);
- Production goods;
- Product line extension;
- Enhancing existing products;
- Repositioning.

1.3. Price policy – the „price” concept

Price is an expression which reflects the value of the sport product. For example, the money we pay for entering a match is actually the price of the event. A price can also be considered the tuition tax for attending ASE Bucharest’s classes. Price is a function of the “placed value” on a sport product paid by the consumers. It is

the simplest way of evaluating the value of an object. Referring to defining a sport product, value is the base principle of pricing.

Value = All perceived benefits attributed to sport products/the price of a sport product.

Perceived benefits have tangible and intangible characteristics at their base.

Tangible benefits are important in determining the right price because they can be seen, touched, felt. For example, the comfort of stadium seats, stadium design, etc.

Intangible benefits consist of the essence of a sports event - spending time with family and friends, the feeling of feeling in close proximity to your favorite team.

Perceived benefits when we take part in a sports event represent a subjective experience based on our individual perception of the event, the sport or the team. A consumer can pay a large amount of money to witness a sports game, because he sees tangible benefits while another one can watch the same event just because he obtained a ticket. In some cases, perceived benefits can reach or exceed the price calculated by using perceived value.

In almost all cases, the price is unfairly balanced with objective costs of the sport product. Because many sport products are intangible, setting a price based only on production costs becomes problematic. For example: How can you evaluate the cost of spending time with friends at a sports event or what cost can emotions experienced during the game have ?!!!

Many sport event promoters believe that for adding more value and for ensuring a high-quality experience for the fans in exchange for revenue - a company must create an interactive environment (getting autographs from stars, purchasing sports items, online services, etc.).

When determining prices, (just as they were defined above) the factors which trigger a certain price are both internal and external.

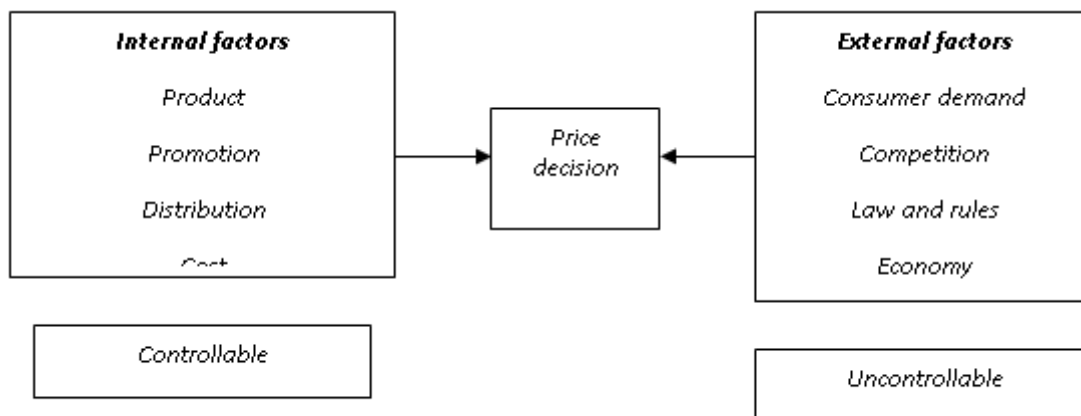


Figure 4 Factors which determine price setting

Internal factors are represented, mainly, by the marketing mix variables.

Price is also known as “a pressure point for consumers”. It is a part of a much larger process which leads to buying a sport product or can be the final element of impact over the final buying decision. Price must be constant and in close relationship cu product planning, distribution and promotion. In order for all marketing objectives to be attained, all marketing mix elements must “sing” together.

The relation between price and promotion in sports marketing mix> All sports marketing mix elements are tied to price and are reflected in its structure. At the same time, the promotion function of a sports company communicates the price to consumers. The different shapes of sales promotion are directly tied to price. For example, a price reduction is a discount applied to a normal price in order to temporarily boost purchase.

Discount rates are an easy way for consumers of getting some of their money back, from the initial price tag.

Prizes are, sometimes, offered thorough price deductions in order to build a solid, long term relationship with the costumer. For example, free tickets for sport events for children under 16 - these become fans but also potential souvenir buyers (caps, bags, etc.)

Sales personnel (sales force) is a component of the promotion that sometimes influences prices. Not all prices, however, can be negotiated; for

example, tennis lessons, welfare facilities - can have flexible prices.

PR (public relations) influences the price for potential buyers and is important when launching a new sport product.

At the same time, mass-media advertising is a component of the new product and pricing can create or remove audience.

The price-distribution relationship

A product’s price is determined by choosing the right distribution channels. The final price paid by consumers reflects various functions of distribution channel members and also the occasional costs triggered by any “movement” of the sport product.

The price - product relationship

The price paid for taking part in a sports event is in relation with the quality of the respective service. A high ticket price needs high-quality expectancy. Price is also used for differentiating a product line within a company. The company will offer product lines with differentiated prices in order to reach every market segment in a different manner; children sport products (shoes, tennis rackets, tennis lessons, etc.) are lower by comparison to those meant for adults, just because the children will make up the core of the market at some point in the future.

External factors in constructing the price of a sports product:

- Demand represents the whole quantity of sport products consumers are willing to buy

for a given price level. In general, consumers are more attracted to buying low price products than high priced ones;

- Competition is the most important factor in creating price arrays. Every sports organization must closely monitor their competitor pricing strategy and structure. The key to understanding price - competition relationship is exploring the competitive environment. There are four competitive environments: pure monopoly, oligopoly, competitive monopoly and pure competition.

A monopoly occurs when there is a single professional sports franchise in a city. For example: F.C. Poli in Timișoara, Sport Club Miercurea Ciuc in Miercurea Ciuc.

An oligopoly is characterized by a small number of competitors on a market, each having its own impact over the market. In sports, an example of oligopoly can be considered the local TV stations which have sports news (TV Sport, Pro TV, and TVR).

Competitive monopoly means having several large brands on a market in direct competition. For example, all tennis balls have similar design although they are made by different companies. Pure competition is a market structure which hosts many competitors and in which no one is influencing significantly the markets.

- Law and rules are a different external factor of which a company must take note in its pricing strategy;
- Technology - all sport products become more and more affordable due to the rapidly advancing technology. This expansion has a strong influence over price making. Experience shows high technology demands high prices. High costs for R&D lead to raising sports product prices. Of note are latest generation hockey sticks (made of carbon fiber), protection gear, etc.

Price strategies

Differentiation price represents the sale of a similar product or service to different buyers at different prices and sometimes different qualities.

Penetration price - gets applied when new products are firstly introduced at an initial price which is smaller than that of competition. This price will encourage buyers to try the product or service, especially when there is high price sensitivity on the market. In general, penetration pricing is utilized for gaining a high market share and gaining a large initial sales number.

Higher competition pricing - this occurs when a company sets higher than competition prices. This price means removing those price sensitive consumers. The price must not be too high but high enough to convince a few target segments to take the new products. Example: the price of Nike shoes. In order to successfully implement this strategy, organizations must ensure other elements of the marketing mix are in perfect harmony with pricing. In other words, with the price being high, perception over product quality must be high, distribution must be more selective and promotional effort must be oriented towards boosting company image. The risk of using this strategy is that competitors rush in imitating the product and can offer similar products or services at close prices. Continuing with the Nike example, in the Romanian context, a series of fake clothing items bearing this mark are being traded through different locations.

Psychological prices strategies

The price which consumers are willing to pay for the respective sport product is an indicator of self-image and is based on the emotional episode experienced by the customer and on the sport product image in report to the tendency towards savings.

The prestige price is used in order to establish an approximate price level. This is an artificial price because it far exceeds any production costs. For example, the very high price paid by golf consumers or the price set for a game of qualification with a very powerful adversary.

Reference price is based on past consumption of products or services. Sports marketers can provide consumers with brand information so they feel pleased of making a buy. An option of this price strategy is the "bait-price" where a product gets introduced in a product line at a

higher price than the most expensive product of the line.

Traditional or common pricing is determined by consumer expectations and by their beliefs on what should be the price. Traditionally, a ticket's price for an event great scale is slightly higher than that for a regular event.

Price strategies for the product mix

One of the objectives in setting a price is profit orientation. These objectives in price setting suggest that a company can set the price level for reaching a maximum amount of profit. In this case, price setting strategy can be guided by the whole profit gain of the entire product mix or of a product line rather than a single product.

Strategies regarding product-service package pricing

These strategies are applied for all grouped products and services, For example, tennis or golf balls are always sold in packs by using a unique price.

Two-way price is where the service has a fixed quota and a variable based on use. For example, we buy a sport event ticket. The ticket price is the fixed quota and other products and services consumed during the event vary according to individual consumption. The captive price strategy means setting a moderate ticket price and setting an additional charge for all articles bought during the event (food, beverages, etc.).

Price setting according to costs is the simplest way to set a price level. Sports organizations examine all costs associated with producing sports goods or events before establishing the price. Traditionally, companies which use cost based price strategies will also use saving means in order to reach the desired profitability. Extra cost price strategies - mean the simplest way of cost related prices. Included in this strategy, price is derived from accounting for the total production cost and adding a charge in order to reach profit.

1.4 Promotional policy

The "promotion" concept

Promotion includes all communication forms aimed at consumers.

The promotional mix is made of:

- Advertising - represents a means of one-way communication regarding sport products and services, ideas, paid by an identified sponsor.
- Personal sales are an interactive way of interpersonal communication having as goal building customer relations and producing product or service sales.
- Sales promotion is used on short term and they are meant for stimulating demand for products and services.
- PR means evaluating public attitudes and opinions about the company, identifying within the organization areas of increased appeal.
- Endorsement - means investing in a sports company (athlete, league, team, federation, and sporting event) in order to support all company objectives, marketing goals and promotional objectives.

Every promotional instrument represents a viable alternative when a manager thinks about the most effective promotional mix. Regarding what promotional instrument should we choose, the final goal of any mix element is communication - an integrate parte of promotion.

Communication processes

Communication is a crucial element in all sport marketing being also a pillar for uniting thoughts of the company (emitter) and the receiver (consumer). In order to determine this identity between these to, a marketing message must be sent via a complex communications' process. The interactivity involved in communication allows messages to be forwarded from the source to the consumers and also from the consumers to the emitter. Traditionally, the main ways of communicating sports marketing were intended for the marketing mix. Sport marketers can also communicate through price. For example, a high price in tickets communicates the sporting event is way better than others. Consumers take part in that event and buy sport goods.

The process of communication starts with a source (emitter). This source codes the message

and relays it by multiple communication means. The message gets decoded by receivers and, finally, a feedback is received by the initial emitter. In a perfect world scenario, messages

are relayed and interpreted honestly. This is rare thing due to segments and interference.

In order to maximize communication effectiveness a good understanding of every element is required.

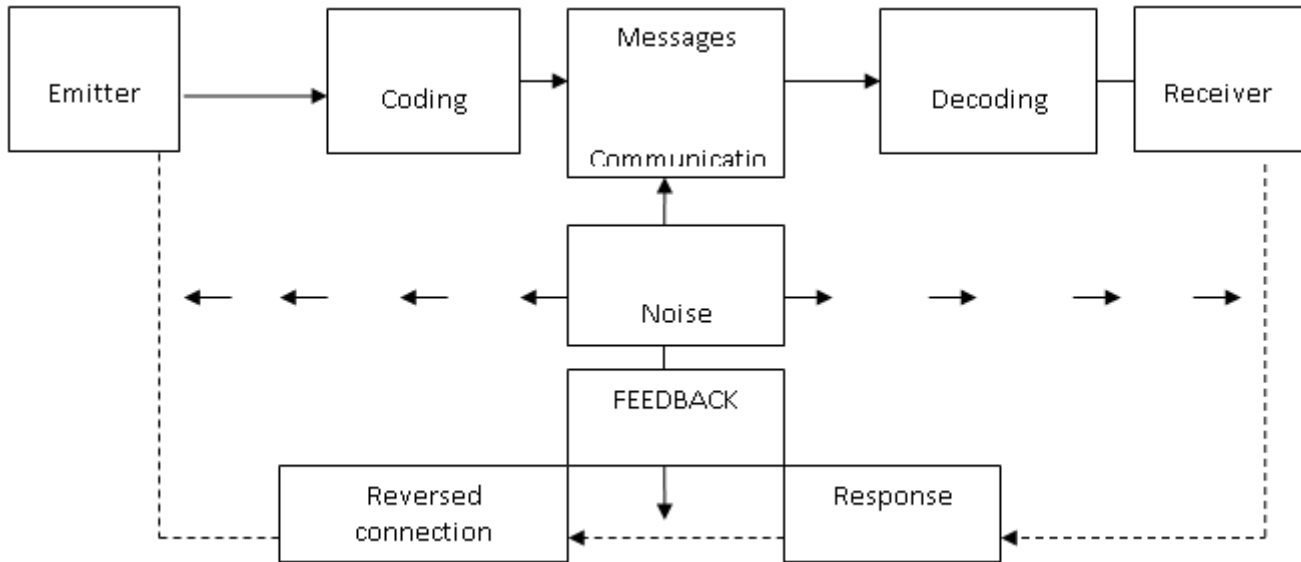


Figure 5. Communication processes
Source: Philip Kotler, page 759

Promotional planning

Without being exceptionally different from sport marketing strategic planning, the promotional plan comes in a few shapes and sizes all developed by using a few common traits:

In the written form of the plan four basic steps need to be undertaken:

- Describing the target segments;
- Setting promotional objectives;
- Constructing a promotional budget;
- Developing the promotional mix.

After identifying the target, a promotional plan must reflect all decisions needed for reaching goals and the strategic manner in which every sports organization understands orientating its promotional effort. Therefore, a strategic action called “the pull strategy” means focusing all promotional efforts on final consumers with the purpose of attracting people to the store; this is a rather common strategy for services in which the selling place is the same with the

consumption one. A second manner of reaching a marketing target is “the push strategy”, case in which all activities and actions are definitely aimed at marketing channel members as being the most important audience - they become motivated and focused in pushing the product to the consumers.

The push strategy is usually used by tangible product makers which use wholesalers and retailers as components of their distribution network. The main objective is to load up the channel with high amounts of products. It becomes obvious that such a strategy ignores the final consumers but insists on those promotional activities which are conducted by resellers by putting together a promotional mix.

On the other hand, the pull strategy aims at the final audience. A wide objective of this strategy is to stimulate demand.

Pull strategies are more frequent in sports marketing in which the essential marketing mix plan is the sporting event. In the promotional mix, a huge percentage will be occupied by advertising, mass-media and endorsement.

Promotional objectives

The next step in the promotional plan consists of defining objectives.

Extendedly, the three main objectives of promotion are:

- To inform;
- To remind;
- To convince the audience about sport products/services.

Once consumers pay attention to the product, the promotional objective transforms into encouraging a purchase. After initial acquiring and consumer satisfaction, the wide promotional objective consists of reminding of the existence of products.

Establishing promotional budget

Sports companies spend a great amount of resources on advertising sporting events, teams, leagues and constantly promote sports. This way, they cope with increasingly demanding competition. In practice, promotional budgeting is an interactive process usually not related to science by which sports companies are able to determine the amount of money which is to be spent in order to maximize the profit.

Promotional budget setting methods

Arbitrary assignment is the simplest way of determining a promotional budget; a sports organization sets a budget level guided by the principle "all they can afford to spend". Companies that use this approach do not wish for major achievements from this plan.

- Competitive budget creation - means setting promotional budgets according to direct competitors. For example, a sports shoe industrialist monitors competition regarding its way of setting and orienting its own

promotional efforts (Adidas has 55 million dollars yearly, Reebok - 44 mil, etc.). Other companies rely on the knowledge of their main competitors and instead of paying celebrities to promote their products they invest in research, design and product quality;

- Sales percentage - this relies on determining a standard percentage extracted from all promotional expenditures and applying this amount to previous sales or future ones;
- Objective and commitment - this final method identifies promotional objectives, defines communication instruments and tasks and then determines costs for all planned promotional activities.

Setting (choosing) and integration of the promotional mix

As shown before, a traditional promotional mix uses advertising, personal sales, sales promotion, PR and endorsement and the sport marketer must determine which aspects of the mix will suit best in order to achieve promotional objectives, within a defined budget limit.

In selecting traditional elements, a sports marketer will have to explore advantages and disadvantages that come with every instrument. For example, personal sales may represent the most effective way of promoting sales like "seat reservation" but it is limited regarding boosting audience. The next table shows factors that can be determined in the process of selecting promotional instruments.

Table 1. Evaluating promotional mix elements

<i>Emitter's control over communication</i>	<i>Promotional instruments</i>			
	<i>Advertising</i>	<i>Personal sales</i>	<i>Sales promotion</i>	<i>PR</i>
	<i>Low</i>	<i>High</i>	<i>Moderate to low</i>	<i>Moderate to low</i>
<i>Feedback size</i>	<i>Small</i>	<i>Large</i>	<i>Small to moderate</i>	<i>Small</i>
<i>Feedback adaptation speed</i>	<i>Late</i>	<i>Instant</i>	<i>Variable</i>	<i>Late</i>
<i>Message flow direction</i>	<i>One direction</i>	<i>Two directions</i>	<i>One direction</i>	<i>One direction</i>
<i>Audience increase speed</i>	<i>Rapid</i>	<i>Low</i>	<i>Rapid</i>	<i>Typically rapid</i>
<i>Message flexibility</i>	<i>No</i>	<i>Personalized</i>	<i>No</i>	<i>Low</i>
<i>Communication method</i>	<i>Indirect and</i>	<i>Face to face</i>	<i>Usually, indirect</i>	<i>Usually,</i>

	<i>impersonal</i>		<i>and impersonal</i>	<i>indirect and impersonal</i>
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Source: *Matthew D. Shank, page 292*

The concept through which sports organizations integrate and coordinate promotional mix elements in order to deliver a coded message about its products is called “marketing integrated communication”.

A main advantage of an integrated promotional plan consists of determining a more effective marketing communication. Unfortunately, ROI for an integrated plan is difficult if not impossible to evaluate. Professor Don Schultz identified four types of information that can be available when measuring Return on Investment for communication:

- Identifying specific costumers;
- Costumer evaluation;
- Message delivery average;
- Consumer response. In order to establish the best ways of recovering investment (ROI), response behavior must be studied regarding attitudes, feelings, buying processes and level of satisfaction.

Promotional mix elements - Advertising

Advertising is one the most visible and important instruments for a sports company. With all significant shifts that take place in the environment, advertising purpose stays the same. It helps create and maintain brand awareness and brand loyalty. Added to that, advertising builds up a brand image of the company, creates a distinct identity between products and services and directly influences consumer behavior, in other words it determines consumers to take part in sporting events, to buy sport shoes, watch a game on the TV, etc.

Advertising is a way of communication and an instrument utilized in sports marketing as well. When creating an advertising campaign, a series of stages have to be travelled. Advertising means going through a web of advertng activities that intertwine and aim for communicating a message to the audience. A campaign of this sort starts with objectives and budget decisions. After that, design activities follow, then media strategy is issued and finally, the campaign gets evaluated.

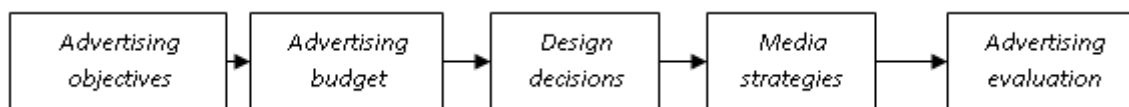


Figure 6 - Designing an advertising campaign (George Belch and Michael Belch Advertising and Promotion. An Integrated Marketing Communications Perspective, 4th Edition, New York, Irvin, McGraw Hill, 1998.

When talking about sports companies, advertising objectives must be in close relationship with general strategic directions and marketing ones. A company can target at the same time direct objectives or indirect objectives such as boosting audience, educating sports consumers, changing fan attitude and creating an overall favorable attitude over sports.

Establishing advertising budget

Establishing the budget of an advertising campaign must start from the initial objectives. At the same time, other variables like available funds, competition and other efficiency indicators must be observed.

- Design decision. After objectives and budget are settled, a creational process must take place. The aim of any “creative effort” is to understand communication objectives so the creativity process that follows to be enhanced. When these creation decisions are taken one must permanently take in consideration “marketing orientation” in designing a campaign.
- Media strategy. Media strategy involves the channel through which a message is broadcasted. Newspapers, TV stations, Radio stations, Magazines - are commonly effectively used means of carrying the message to the audience. Moreover, new technologies have created alternate means -

the Internet. The decision on what means of communication should be used is one of the areas focused on during building the right media strategy.

Media strategies raises basic concerns involving communications channel in sports marketing. What kind of media will be more effective in hitting the desired segment? And how should this media be programmed in order to reach advertising objectives?

A rapid growth in means of broadcasting information makes selecting the best one a really hard task. Choosing the right media is strongly influenced by earlier design decisions. For example, emotional appeal, well supported by television, will be hard to reach by using newspapers. It is also of the utmost importance that the media producer knows the target segment.

By understanding the target segment profile and the media objectives are key elements in developing an effective advertising campaign. Each media type has its own strengths and weaknesses which must be taken in account when making advertising planning decisions. (Table 2)

- **PR (Public Relations).** PR represents the process of creation and maintenance of

valuable customer relations. Also, it holds key elements in marketing relations and builds strong economical and social premises towards clients.

Many sports organizations realize it is much cheaper to maintain potent relationships with actual costumers then looking for new ones or fighting competitors to capture market parts.

Within instrument and promotional activities structure other techniques are also used: sales promotion, sale point advertising, personal sales and endorsement - common marketing activities no matter the area of use.

- **Sport products selling strategies.** Unlike tangible products which most of times sell on their own looks and because of the easily perceivable benefits, sport services (events, games, sport shows, etc.) offer some hard to notice and calculate benefits which are also hard to communicate to the audience. In case of a mixed service, say a luxury stadium area, selling sport services is dependent on how the company or club transmits information about all tangible and intangible benefits of which one customer can benefit.

Table 2. Main media types

<i>Media</i>	<i>Advantages</i>	<i>Disadvantages</i>
<i>Internet</i>	<i>Allows message personalization</i>	<i>Clutter, specific audience, difficult to measure.</i>
<i>Newspapers</i>	<i>Flexibility; Opportunity; Local Transparence; Wide accessibility; High trust.</i>	<i>Short lasting; low quality reproduction; low audience.</i>
<i>TV</i>	<i>Suited for mass covering, combines sound with image which gives an emotional flavor.</i>	<i>High cost; big clutter; Low audience selectivity</i>
<i>Letters</i>	<i>High audience selectivity; Flexibility, not competitive in the same environment; allows personalization.</i>	<i>High exposure cost</i>
<i>Radio</i>	<i>Good local acceptance; Geographically high selectivity; Low cost</i>	<i>Audio only; low attention; fragmented audience.</i>
<i>Magazines</i>	<i>Geographically high selectivity; Prestige; High-quality reproduction; Long lasting; Long term relations.</i>	<i>Long appearance; high cost; does not guarantee position.</i>
<i>Outdoor</i>	<i>Flexibility ,Repeated exposure; Low cost; good selectivity</i>	<i>Low audience selectivity; limited creativity.</i>

Source: Philip Kotler, Gary Armstrong, *Marketing an Introduction 4th.Upper Saddle River, N. J. Prentice Hall*), page 471.

Communication efficiency and effectiveness in sports marketing are determined by the strategic manner in which all sales related activities are

oriented and programmed (Robert Miller, Stephen Heiman, *Strategic Selling*, 1985). Just like in any strategic planning process, in sales

the first step one must fulfill is analyzing current sales force by pointing out strengths and weaknesses belonging to human resources. When confirming the SWOT analysis customer opinions on staff are analyzed then their job quality, competitor strength and their relation to your own sales force (of the sports organization).

The quality of sales personnel reflects directly on how consumers perceive the central sporting event.

As an example, the situation created through preferential sale of tickets regarding Romania-Holland football game (from Giulesti, Bucharest) when a scandal in the background regarding this event start putting people away from buying tickets and also had a negative impact on Rapid Bucharest and the Romanian Football Federation (F.R.F).

Endorsements

“Endorsements are defined as an investment in a sports entity (athlete, league, team or event) in order to support general organization objectives, marketing objectives and promotional objectives. Endorsement investments can come by both financial and commercial ways.” (Matthew D. Shank, Sport Marketing, 2005). Example: Coca-Cola sponsored the Tennis Competition held by the Youth Promotion Association in the summer of 2004. Young tennis players, ranging from 12 to 17 which stood out by having particular talents received as a gift, sports gear. In 1995, Coca-Cola was hosting the first Romanian beach volleyball contest in Romania (Costinesti). After only two years, the tournament became a true professional competition which in 2000 had 32 teams and a significantly larger prize value of 12.000 dollars.

Endorsement characteristics

Unlike other promotional ways, marketing endorsement may itself reach a saturation point within a market.

This point is determined by the limited number of favorable images containing sport events, athletes, teams, etc. with which sponsors can relate to during their own promotional programs. From a sponsor's view, decisions are

made when building a promotional program through which they involve endorsement in exchange for marketing; the sponsor benefits from the right to associate with the sports club and in return the sports entity receives financial support or gear (equipment, clothing, shoes, nutrients, etc.) all supplied by the sponsor.

In 2002 American companies spent 751 million dollars for endorsing Salt Lake City's Winter Olympics (I.E.G Report, 2004).

2004's Olympic Committee in Athens gained 50 million dollars from O.T.E (largest communication company in Greece) for summer Olympics, being the largest amount in all summer Olympics to date (2004).

In 1983 Coca Cola and the International Olympic Committee started the program called “Olympic Trust”. This program was destined for emerging countries; it supports training and educating athletes and creating opportunities for valuable athletes who would still remain hidden because of their country's situation.

Unlike Romanian sponsorship which, by law, encourages companies that make such efforts in reaching certain financial goals, like a cut in profit tax, in a market economy, sponsorship objectives are mainly marketing related and clearly defined within the promotional program. These objectives help companies who sponsor to reach their marketing objectives and, in the end, reach general company objectives as well. That is why all sponsorship decisions in Romania do not rely on marketing approved programs but instead on sport clubs relationships being based only on the law base in order to bypass taxation.

1.5 The distribution (placement) policy

Distribution is one of the most important marketing functions in all its evolution stages. At the beginning of marketing and its integration as science, placement alongside promotion was considered the hard core of any marketing experience. Although many of its values have dialed down through time it is still considered a base variable for any marketing mix.

Reduced to its essence, distribution must allow consumer's access to a product in a suitable

place and with a time expenditure kept to a minimum. Its role is increasingly important as sports enthusiasts' numbers diminish and their geographical dispersion increases, by comparison to regular products. We will not encounter sports products under prestige labels like Adidas or Nike at every corner of the street because the low quantity products from this category need a selective distribution. (Only in high-end or specialized stores) In exchange, sports goods producers must build distribution channels and choose intermediaries which allow final consumer access to their products - a specialized network is therefore needed.

This process of distribution focus is supported by new technologies like the computerized order processing system which cuts time from the order-buy chain. This explains why Nike products made in Louisville (USA) are sold to Indonesia cutting time and removing distances a consumer needs to travel in order to buy the product.

In Romania, but also in developed countries, indirect distribution channels are used:

Producer >>> Wholesaler >>> Retailer >>> Consumer, considered a long distribution channel and

Producer >>> Retailer >>> Consumer, considered a short distribution channel.

Added to that, all agents or brokers become members of the distribution channel.

Sports agents are intermediaries who act on behalf of athletes but who can be hired by sports organizations that want to buy sportsman.

In sporting events and sports services for which a sports company revenue is obtained by selling tickets, distribution must have the sole purpose of ensuring the right number of tickets for fans.

Unlike other sport products distribution channels and regarding tickets, different members of the distribution channel must perform multiple tasks like: event advertising, sales force management, sales force coordination, technical support providence (space, computers, telephone lines, etc.) and costumer service. All these have an impact over overall satisfaction of consumers.

Perfecting the ticket distribution system was a consequence of ticket distribution agencies which attributed their own capital to offering computerized distribution services. In the US, "Ticketron" became the first digital provider of this sort, ever since 1968 (Lori K. Miller, Lawrence W. Fielding, 1997).

Sometimes, excessive taxation charged by these agencies causes revolts form fans which must be resolved by the original company. One of the ways to resolve these is online ticket sales. Example: more then 60% of NFL fans purchase tickets this way. Moreover, buying tickets online adds a series of benefits for both teams and fans. It creates revenue for fans who can sell unused tickets to friends, avoiding at the same time cases in which unused tickets do not generate profits (Bob Tedeschi, 2003).

Another way of distribution in Romania is by using media channels. Sports shows on the TV or radio, sports channel, cable TV, the Internet, all can be considered as intermediaries in distribution of the sport product to the final consumer.

These channels and particularly, TV can be considered the most important force in sports marketing for the past 30 years. They ensure "transport" for sporting events like the Olympics, World Championships, etc. while viewing in real time, at thousands of kilometers away, from a sofa.

If 25 years ago, most sports organizations revenue came from ticket sale, today, over 43% of the income comes from broadcasting rights. For example, NFL sold to Fox television broadcasting rights worth 4, 4 billion dollars (over 8 years) worth of rights.

Alongside TV and radio, the Internet is a different sports channel for broadcasting games and sporting events. Fans all over the world can listen and view different sports on their computers. Although this technology is not yet up to date, soon, consumers will be able to enjoy their favorite teams no matter their location. (Mark Hyman, 1997)

Not all marketing mix variables can be adjusted on short term. On short term, a company can adjust prices, sales force size and advertising spending, while on long term, objectives are

closely tied to modifying distribution channels and creating new products.

A marketing mix base element is the product which represents the tangible sphere of a company which includes aspects like quality or technical use. That is why price is a crucial mix element and represents a sum of money which consumers have to yield in order to buy the product.

Distribution as a mix element refers to activities which the firm must undergo in order to reach the audience best.

Promotion, the fourth element defines a company's decisions regarding product communication.

Successful companies are those which know and have the capacity of anticipating consumer needs in a most comfortable and economical way as possible.

The final stage of marketing consists of organizing marketing resources as well as implementing the marketing plan; in our case this is a responsibility reserved for higher management level - university management staff. This is done by annual plan control which is meant to ensure a reach in set objectives. Also, profit control which means product evaluation, consumer evaluation and channel evaluation are also included. A company must analyze its effectiveness and verify by strategic control, if the marketing strategy corresponds to market reality. A company must adapt itself to both micro-economy factors (suppliers, competitors) and macro-economical ones (economy, politics, laws, technology or nature).

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